

**STATE BOARD OF EQUALIZATION**

1020 N STREET, SACRAMENTO, CALIFORNIA
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April 15, 1986

Mr. N--- W. B---
Program Manager
F--- of S---
Education Building
County Civic Center
---, CA XXXXX

Dear Mr. B---:

Your February 10, 1986 letter to Mr. Douglas Carroll has been referred to me for a response. You request that the organization called "F--- of S---" be formally considered as an "equivalent organization" under Revenue and Taxation Code section 6370. Attached to your letter is a copy of the organization's Articles of Incorporation and By-Laws.

Your letter indicates that the C--- G--- S--- of O--- S--- and C--- E--- (S---) is a public school operated and maintained by --- County public school funds. The school provides a one week class for sixth grade students in --- County that emphasizes outdoor science (nature study), conservation and environmental education. The "F--- of S---" is a nonprofit organization consisting of parents, ranchers, community business people, county and school district board of education members, school administrators and teachers. The purpose of the "F--- of S---" is to enhance the education of the general school population of --- County by involving the organization's members in the academic and financial operation of the S--- school.

Revenue and Taxation Code section 6370 provides in pertinent part:

"(a) This section applies to:

"(1)" Nonprofit parent-teacher associations chartered by the California Congress of P.T.A., Incorporated, and equivalent organizations performing the same type of service for public or private schools and authorized to operate within the school by governing authority of the school.

* * *

- “(b) An organization described in subdivision (a) is a consumer of, and shall not be considered a retailer within the provisions of this part with respect to, tangible personal property which it sells; provided, the profits are used exclusively in furtherance of the purposes of the organization.”

In order to determine whether the “F--- of S---” would be considered an “equivalent organization” it is helpful to compare the objectives and services of that organization with the objectives and services offered by the PTA. The California PTA’s bylaws, Article II, Section I, list the objectives of the PTA as follows:

- “a. To promote the welfare of children and youth in home, school, church and community.
- “b. To raise the standards of home life.
- “c. To secure adequate laws for the care and protection of children and youth.
- “d. To bring into closer relation the home and school, that parents and teachers may cooperate intelligently in the education of children and youth.
- “e. To develop between educators and the general public such united efforts as will secure for all children and youth the highest advantages in physical, mental, social, and spiritual education.”

Article II, Section 2, indicates that the objectives will be promoted by the following:

“The objects of the National PTA and the California State PTA are promoted through an educational program directed towards parents, teachers, and the general public; are developed through conferences, committees, projects and programs; and are governed and qualified by the basic policies set forth in Article III.”

Insofar as is pertinent here, Article III provides:

- “a. The organization shall work with the schools to provide quality education for all children and youth and shall seek to participate in the decision-making process establishing school policy, recognizing that the legal responsibility to

make decisions has been delegated by the people to boards of education.”

In our view, it is not necessary that an organization have identical objectives and provide all of the services outlined above in order to be “equivalent” to the PTA. However, at the very least it should be a nonprofit organization which includes parents and whose objectives include some coordinated promotion of educational programs or projects among parents, students, school authorities and the general public.

The “F--- of S---”, as described, is a nonprofit organization which includes parents, teachers, school authorities and the general public and whose objectives include a coordinated promotion of academic programs for the S--- school. We are of the opinion, therefore, that the “F--- of S---” qualifies as an “equivalent organization” under Revenue and Taxation Code section 6370 since the organization substantially meets the minimum requirements outlined above.

We hope the above information is helpful. If you have any further questions on this topic, please do not hesitate to write this office.

Very truly yours,

Robert J. Stipe
Tax Counsel

RJS:sr

cc: Mr. Douglas Carroll
--- Branch Office
--- – Compliance